REMARKS/ARGUMENTS

The Examiner has relied upon U.S. Patent No. 6,055,519 to Kennedy et al. ("Kennedy") to reject all of the originally filed claims in the application: claims 6 and 11 under Section 103(a) and the remainder under Section 102(b). Such rejections are respectfully traversed.

Kennedy is a system for negotiating and tracking a sale of goods. The Kennedy system is structured to facilitate an ongoing iterative exchange between the buyer and seller of the goods. In contrast, the invention defined in original claims 1-13, is an automated securities order execution system and method. The claimed invention results in the execution of a request for a security trade transaction (buy/sell) by a client. Once the client request is made, the system executes the request automatically if all specified rules are satisfied or manually by a trader if they are not. The client has no further involvement in the process.

Offering little detail, Kennedy makes two brief references to automated trading performed on stock exchanges such as NASDAQ; see column 1, lines 16-19 and column 3, lines 8-19. Indeed, the latter reference to NASDAQ touts, with emphasis added, an alleged advantage of the Kennedy system over the NASDAQ system:

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A further technical advantage is that negotiation for a package of items is permitted rather simply for a single item. In contrast, a bidder on the NASDAQ, for example, can not request purchasing a package containing 100 shares of IBM and 100 shares of MICROSOFT for $20,000. The bidder must separate the request into two requests. The present invention handles such package requests, in part, because manufacturers often require them. For example, a manufacturer of a table wants to request 100 tabletops and 400 table legs and receive a quote for the whole package. A delivery policy field can allow a range of contracts and blanket orders to be modeled.

The instant invention is specifically used to execute automated securities trades on exchanges such as NASDAQ. Based on Kennedy's criticism of the capabilities of NASDAQ securities trading systems, and the portions of the Kennedy text relied upon by the Examiner in support of his rejections (particularly the description of an iterative negotiation of the sale of tangible items at column 6, lines 20-59), it is not seen how Kennedy either anticipates or renders obvious the presently claimed system and method for automating a securities order. To the contrary, Kennedy goes to great lengths to distance the Kennedy invention from allegedly "technically disadvantaged" automated securities trading systems. Kennedy's disclosed and claimed invention is founded a negotiation engine 16 for supporting iterative negotiation and tracking of the sale of goods between sellers and buyers. Kennedy is utterly silent regarding any other capabilities or uses of his system, let alone executing securities orders, as is required by the presently claimed invention.

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Accordingly, Applicant kindly requests withdrawal of the existing Section 102(b) and 103(a) rejections of original claims 1-13.

The same reasoning carries even greater force in respect to newly added claims 14-23 which specifically call for:

at least one broker filter for determining whether the order can be processed;

at least one trader filter for determining whether the order can be automatically executed; and

at least one compliance filter for determining whether the order meets the criteria of the market on which the security is traded.

Teachings of Applicant's broker, trade and compliance filters are simply not found or even remotely suggested in the Kennedy patent.
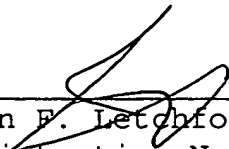
In view of the foregoing, the instant application is believed to be in condition for allowance and, therefore, early issuance thereof is earnestly solicited.

If the Examiner believes that a telephone interview would be beneficial to advance prosecution of the present application, the Examiner is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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John F. Letchford
Registration No. 33,328

KLEHR, HARRISON, HARVEY,
   BRANZBURG & ELLERS LLP
260 South Broad Street
Philadelphia, PA 19102-5003
Tel.: (215) 569-3495
Fax: (215) 568-6603
E-mail: jletchford@klehr.com

PHIL1 566298-1